



**FOR IMMEDIATE RELEASE**  
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## **USDA PROVIDES NO-DOWN-PAYMENT MORTGAGES & LOANS AND GRANTS FOR HOME REPAIRS**

The Rural Housing Service (RHS), an agency within the United States Department of Agriculture announces the release of funds in two of its programs which encourage homeownership and enable existing rural homeowners to repair, renovate, or provide handicap accessibility to their homes.

Through RHS's Home Improvement Loan and Grant Program, funds may be made available, for example, to repair a leaking roof; replace a wood stove with central heating; or to construct a front-door ramp for someone using a wheelchair. Low income families and individuals can receive loans at a 1% interest rate directly from RHS and homeowners that are 62 years of age and older are eligible for home improvement grants which do not have to be repaid. While grant funds are generally limited, loan funds are readily available through at least September 30, 2004.

Home improvement loans of up to \$20,000 and grants of up to \$7,500 are available. Loans are made for up to 20 years with an interest rate of 1 percent. Grant funds may be used only to pay for repairs and improvements resulting in the removal of health and safety hazards. A grant/loan combination can be made if the applicant can repay part of the cost. Loans and grants can be combined for up to \$27,500 in assistance.

In addition to the Home Improvement Program, RHS has up to **\$4 million** available for its home loan program (*502 loan*) for moderate to very low income rural homebuyers. This program provides individuals and families the opportunity to purchase or build a home with no-down-payment and financing of up to 100%.

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Financing is available for modest, detached, single family homes or condominiums in designated rural areas of Connecticut. Applicants must be unable to secure a conventional bank mortgage and be in need of a home to be occupied as their primary residence. Applicants are expected to have a dependable source of income and a reasonably good history of paying past credit obligations.

RHS's Homebuyer Loan Program provides three different funding structures. The Guaranteed Rural Housing loan program allows conventional lenders to loan 100% of an applicants needs with RHS providing a guarantee of payment. Secondly, RHS provides direct second mortgage loans in participation with a local lender's first mortgage loan to provide applicants with 100% purchase financing. RHS can reduce the interest rate on the second mortgage loan to as low as 1% depending on the applicant family's household income. Finally, RHS can provide a direct loan, for those who cannot qualify for the above programs, for 100% of the eligible purchase costs. These loans can have a temporary interest reduction to as low as 1% depending on the applicant's family household income.

To learn more about the USDA's Rural Housing Service, its loan and grant programs and the communities that are eligible, or to arrange an informational meeting about the programs, please contact Abigail Pena at your local USDA office in Windsor at (860) 688-7725 Extension 4 or visit our website at: [www.rurdev.usda.gov/ma](http://www.rurdev.usda.gov/ma).

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